APPENDIX R

Case Comment From Patent, Trademark & Copyright Journal (241 PTCJ A-2).

"Erroneous" Oaths by Inventor Do Not Support Finding That PTO was Defrauded

According to the U.S. Court of Appeals for the Fifth Circuit, "there is a vast difference between that which is false and that which is incorrect—even positively incorrect or inaccurate." Thus, while oaths by an inventor with regard to inventorship may "turn out to be erroneous," evidence of such does not establish that the patentee engaged in "intentional fraud before the Patent Office," nor does it meet the "heavy burden of proof" imposed on a party seeking an antitrust remedy for wrongful assertion of a void patent. (Becton, Dickinson & Co. v. Sherwood Medical Industries, Inc., 7/28/75)

While he agreed with the lower court that B-D's patents on two devices for collecting blood are invalid, one because of obviousness, and the other because the patent was issued to two people (Russo-Halligan patent), one of whom "did not participate in conceiving the invention," Judge Brown does not believe that the evidence supports a finding that B-D is guilty of conduct amounting to fraud on the Patent Office because of false oaths made by the inventor in connection with the Russo-Halligan patent. Sherwood had contended that evidence of the false oaths supported its allegation that B-D had committed an antitrust violation by bringing suit on void patents, thereby entitling it to an award of attorney's fees.

The oaths involved relate to the issue of inventorship. Though it was ultimately determined that Halligan was the sole inventor, the first oath, made by Russo, stated that he was the sole inventor. The second oath, made jointly by Russo and Halligan, asserted that the sole application

had resulted from Russo erroneously informing the patent attorneys that he was the sole inventor. It was used to support the conversion from a sole to a joint application. The third oath stated that Halligan's contribution was first discovered in March 1968, and the fourth was a joint oath by Russo and Halligan that they were co-inventors.

Judge Brown says:

> [Text] Obviously on our holding of non-inventorship by Russo, the First and Fourth Oaths turn out to be erroneous. To establish that, however, is a long way from finding fraud or equivalent bad conduct by whatever milder name called. [End Text]

Pointing out that Sherwood may make out its antitrust action only by showing that B-D intentionally defrauded the Patent Office, the court goes on to consider the second and third oaths. Again Sherwood fails to carry the "heavy burden of proof" imposed on a party who seeks an antitrust remedy for wrongful assertion of a void patent:

> [Text] As with Oath Second, there is no indication by examination or probing into the minds of Russo or Halligan or any other responsible person in B-D that there was any conscious misrepresentation of a significant fact. Falsity for these purposes and under the prevailing burden calls for more than inaccuracy, or, say in the cases of Russo and Halligan the subscribing affiants, imputed knowledge that in the exercise of prudence they ought to have known that what was stated was wrong. [End Text]

APPENDIX S

Comment From Patent, Trademark & Copyright Journal (243 PTCJ A-6).

SUPREME COURT REVIEW
OF PATENT CASES SOUGHT

The Supreme Court is asked to review an award of attorneys' fees that was founded upon fraud on the PTO, . . . (Kramer v. Duralite Co., Inc., No. 75-266, 8/19/75; . . .)

Attorneys' Fees

The Second Circuit upheld an award of attorneys' fees under 35 U.S.C. § 285 on the basis of a district court's finding that the patentee had lie[d] both to the PTO and to the court in claiming to be the sole inventor. 514 F.2d 1076, 185 USPQ 641 (CA2 1975), 228 PTCJ A-26.

In 75-266 the petitioner still contends that he is the sole inventor notwithstanding the fact that, at his behest, someone else actually reduced his ideas to practice. According to the petitioner, one can avail himself of the mechanical skills of others and yet still be the sole inventor.

"Inventorship," says the petitioner, is one of the most difficult questions in patent law. The claim of sole inventorship, even if legally incorrect, was "not so wholly devoid of substance as to justify an award of attorney fees."

The petitioner insists that "collaborators in the process of inventive activity, be they fellow corporate employees or independent contractors, will forever be susceptible to differences of opinion as to who made the inventive contribution, whether joint or sole." The courts, therefore, should take with a grain of salt the "charges of fraud [which] are bound to fly."

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